

Message of the Week

May 29-June 4, 2002

Presented by Rep. Mike Pence (R-IN)

“Social Security must be reformed now so that today’s workers can count on a secure retirement.”

- Republicans share a commitment to preserving and strengthening Social Security.
- This commitment means first and foremost preserving 100% of the benefits for people currently in or nearing retirement.
- However, according to the most recent report of the Social Security Trustees, by 2016, Social Security payroll taxes will not be sufficient to cover benefits.
- Without reform, an additional **\$22 trillion** will be necessary between 2016 and 2075 to make up for this forecasted shortfall.
 - Here’s what \$22 trillion looks like: \$22,000,000,000,000.00
 - That’s more than 55 times the size of the current budget for national defense!
- Real rates of return for younger workers have fallen to less than 2% and will decline even farther if payroll taxes are raised or benefits reduced to maintain solvency of the system.
- Republicans believe that Social Security reform must successfully address three main principles:
 1. **Protect the benefits of all current retirees and those nearing retirement.**
 2. **Secure a stable financial foundation for the Social Security system.**
 3. **Offer younger workers the opportunity to improve their rates of return via personal retirement accounts.**
- Personal retirement accounts will transform Social Security from a big-government “IOU” into personal property that beneficiaries can own, control, and pass onto their children.
- Personal retirement accounts will promote core American values of limited government, individual responsibility, and personal control of wealth.